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U.S. Intelligence Pays Well for Secrets

How much does it cost the United States to buy or steal a secret from a foreign country? It's one of the best-kept secrets in Washington, for unlike most other entities of the federal bureaucracy, the hydra-headed intelligence community can keep its budget confidential. And no one in Congress seems to worry whether the spy agencies are cost-effective in what they do.

It may seem a hopeless quest, but let's see if we can't do an accounting of U.S. intelligence-gathering.

Except for the Central Intelligence Agency and a couple of obscure military units, which devote some money and manpower to covert action, the dozen-plus federal intelligence bodies exist primarily to collect and analyze information. So their entire budgets should be counted on the cost side of the ledger. Easier said than done, of course, but from sources familiar with the budget process and from other information we've gathered, we can make an educated guess.

The CIA's annual budget is close to \$1 billion. The code-breaking National Security Agency's is much higher, about \$10 billion a year. The little-known National Reconnaissance Office, whose very existence in the Pentagon is classified, spends at least \$2 billion and possibly as much as \$4 billion a year on spy satellites.

Then add at least \$2 billion for the Defense Intelligence Agency and the intelligence-gathering arms of the four individual military services and the State, Treasury and Energy departments.

A significant expense, but impossible to

calculate, is the man-hours spent by ambassadors and Foreign Service personnel gathering information that is passed along to the intelligence services.

Adding it all up, a plausible estimate is that the government spends roughly \$18 billion a year to collect foreign secrets.

Now how do we figure out the number of secrets this \$18 billion buys? No one can say for sure, but as luck would have it, there is an obscure agency that provides the material necessary for a reasonable guess.

The Information Security Oversight Office makes an annual count of all government agencies' classification decisions—how many documents they stamp confidential, secret and top secret. Its latest report puts the number of these "original classification decisions" at 881,943 last year.

The problem with this figure is that the great bulk of it refers to U.S.-made secrets the agencies want to protect, not secrets coming from abroad. Domestic secrets are usually classified confidential or secret, and these levels comprise 98 percent of the classification decisions, according to the oversight office's report. The remaining 2 percent—or 17,789—were classified top secret.

Even making the unlikely assumption that all 881,943 decisions involved foreign secrets, it would factor out to \$20,409.48 per secret, according to our calculator.

But if we rate intelligence-gathering agencies only by the hottest stuff they get—the top secrets—the cost works out to a little more than \$1 million each.